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USDOC FOR 532/OEA/NICKSON
USDOC FOR 3131/USFCS/OIO/ANESA/KREISSL
USDOC FOR 4530/MAC/ANESA/OSA
ICE HQ FOR STRATEGIC INVESTIGATIONS
STATE FOR EB/ESP

E.O. 12958: N/A

TAGS: [BEXP](#) [ETRD](#) [ETTC](#) [IN](#)

SUBJECT: EXTRANCHECK: POST-SHIPMENT VERIFICATION: BHARAT HEAVY
ELECTRICALS LIMITED, BHOPAL, INDIA

REF:

USDOC 06997
USDOC 06698
USDOC 06999
USDOC 07000
USDOC 07001
USDOC 07002
USDOC 07003
USDOC 07004
USDOC 07005

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12(c) of the Export Administration Act.

¶2. On March 2, 2009, Export Control Officer (ECO) Paul Cushman and BIS FSN Shailendra Srivastava conducted a Post-Shipment Verification (PSV) at Bharat Heavy Electricals Limited (BHEL).

¶3. BIS requested a PSV at BHEL, located at Piplani in Bhopal. BHEL was listed as the end-user for 3,456 kilograms of apical polyimide film supplied by Mitsui & Company of New York. Export License: D364830. ECCN: 1C008. The film was sent to BHEL in nine shipments.

¶4. ECO and FSN Srivastava met with Mr. Prabhat Kumar, General Manager, Mr. K.K. Puranik, Additional General Manager, Mr. R. Krishnan, General Manager, Mr. Vinay Mohan, Senior Deputy General Manager, and Mr. A.P. Samal, Manager, BHEL. Mr. Randhir Jaiswal, Deputy Secretary, Ministry of External Affairs, arranged and was present at the meeting.

¶5. BHEL representatives were familiar with BIS regulations. However, this was the first visit by BIS officials to their facility. At the time of this meeting, Puranik could not provide any paperwork relating to these importations but agreed to locate the relevant documents and forward them to ECO via Jaiswal. Puranik confirmed that he was aware of the associated license conditions as he had received a copy of the BIS Export License. He asserted that BHEL had complied with and would continue to comply with these conditions.

¶6. On March 12, 2009, ECO received a set of documents from BHEL which included 9 BHEL Purchase Orders, 9 Mitsui Invoices, and a copy of Export License D364830.

¶7. Puranik confirmed the stated end-use. He explained that the apical polyimide film serves as an insulator and is wrapped around copper armature coils installed in the traction motors they manufacture. The film is prized for its dielectrical strength and resistance to moisture and extreme temperatures. Every year, approximately 2,000 of these motors are supplied to Indian Railways for installation in locomotive engines.

¶18. After the meeting, the BIS team was given a tour of the facility and observed numerous laborers wrapping armature coils with apical polyimide film. Puranik explained that all of the film purchased from Mitsui had been exhausted in the manufacturing process and he presented logs which supported his claim. He went on to present for inspection a large inventory of apical polyimide film subsequently procured by BHEL from Dupont.

¶19. Bharat Heavy Electricals Limited, headquartered in New Delhi, is one of India's largest public sector companies. Established in 1956, BHEL manufactures a wide range of electrical products. BHEL has recently agreed to form a joint venture with GOI's Nuclear Power Corporation of India Limited (NPCIL) to manufacture turbines for nuclear power plants. This facility has approximately 8,000 employees. Security is provided by GOI's Central Industrial Security Force (CISF).

¶10. Recommendation: At the time of this visit, Bharat Heavy Electricals Limited appeared to be a reliable recipient of controlled technology. However, because a physical inspection of the material could not be performed, this Post-Shipment Verification remains inconclusive.
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